

TANYA SKELTON INDEPENDENT MARY KAY SALES DIRECTOR

June 14, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W) Re: Business Opportunity Rule, R511993 600 Pennsylvania Avenue, NW Washington, DC 20580 RE: Business Opportunity Rule, R511993

Dear Sir or Madam,

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as an Independent Sales Director with Mary Kay Cosmetics. I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but I am concerned that some of the sections in the proposed rule will make it very difficult for me to conduct my business by casting all direct selling opportunities in a negative light.

One of the most confusing and burdensome sections of the proposed rule is the seven day waiting period to enroll new consultants. Mary Kay's starter kit only costs \$100 +tax & shipping. Compared to many other purchases people make on the spot, this a minimal amount. I have found in my experience that the first days of a consultant's decision to start her business are crucial for getting her going and trained. This waiting period gives the impression that there might be something wrong with the plan, very comparable to purchasing a firearm. I also think this seven-day waiting period is unnecessary, because Mary Kay Cosmetics already offers a 90% buyback policy for all products, including starter kits purchased by a salesperson within the last twelve months.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. In today's society, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Mary Kay Cosmetics is found guilty. Otherwise, Mary Kay Cosmetics and I are put at an unfair advantage event though we have done nothing wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Mary Kay Cosmetics headquarters and then wait for the list. This puts any direct seller at a disadvantage and will directly affect our legitimate sales. I've found that with my product, a prospective purchaser will go buy products somewhere else, if I don't have it for them. By making my customers wait in order to follow legal guidelines, I will lose a lot of business. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I have worked in the direct selling industry with Mary Kay Cosmetics for eleven years and plan to continue in this career until I retire. I thoroughly enjoy the flexibility my business gives me, allowing me to stay home with my son while adding extra income to my family's budget in an economy where two incomes are necessary to live a comfortable life. I also have benefited immeasurably by the gain in self-confidence my business has given me. I am now a strong leader in my community and influence others in a positive way because of the social skills I have learned while building my business. I am proud to work my business with honesty and integrity, creating a place where other women can succeed along with me.

I appreciate the work for the FTC to protect consumers, but I believe this proposed new rule has many unintended consequences to legitimate direct selling companies and that there are less burdensome alternatives available in achieving its goals.

Thank you for taking the time to consider my comments.

Sincerely,

Tanya Skelton